

The Evolution of Sharing Rep Field Information with Manufacturers

Over the last 40 years, the Electrical Industry has experienced minimal change in the methods of sharing information from the Rep field salesperson (salesperson) to the Rep Home office (Rep firm) and the manufacturer. The following bullets provide a look at the progression of the changes in methods of communication over the years.

- At one time, salespeople wrote call reports and mailed them to the office. Administrative staff separated information from these reports into separate documents for each manufacturer. Once completed and approved, the Rep firm mailed them to each manufacturer.
- Fax machines became available, but initially, their speeds were too slow, and the price per page to fax was as high as 2 - 3 dollars. Field sales reps continued mailing their call reports to the Rep firm office.
- Some larger rep firms discovered phone services where field sales reps could call a phone number and speak their call reports into a system. The inside staff could listen and type them to mail to the factory. This approach came about as a method to help sales reps become disciplined in sharing their call reports, but the systems were pricey, and they did not take off.
- In 1988 and 1989, Eudora Mail, Lotus Notes, and AOL all introduced email systems that initiated the first big change in the method of how information was shared between the salesperson, Rep firm, and the manufacturer.
- In the late nineties, when CRM started to catch on in the industry, it had a significant impact on the quality and quantity of information that the salesperson shared with the Rep firm and in turn, manufacturers. CRM made it easier for Reps to follow a formalized sales process and track opportunities with greater effectiveness and success. Rep firms were able to conduct new product launches with greater precision and qualification.
- As manufacturers began requiring rep firms to utilize their own proprietary CRM to update the factory, information sharing took a step backward in the industry. For those reps without a CRM, they utilized used Word templates to collect unique specific fields of information for each manufacturer using a CRM. It was the same method for Reps who used CRM. All these reps, with or without their own CRM, had to hire administrative staff to input the data from the templates into each manufacturer's CRM system.
- Soon a handful of representatives made the technology leap and interfaced with a couple of manufacturers, sharing their data like opportunities and Activity Journals.

In the February 2015 edition of "Electrical Trends", David Gordon commented on how many rep firms were looking into technology like CRM's and stated, "It's interesting that the element of the channel that has the lowest gross margin (their commission) is making these levels of investments to create demand ... personnel and systems to upsell, cross-sell and generate opportunities."

In 2016, Bob Smith of IMARK spoke at the NEMRA conference about the importance of both Reps and Manufacturers using CRMs as communication tools and the need for CRM systems to be able to talk to each other.

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Fast forward to 2022. Fewer reps are automatically synchronizing their information to manufacturer CRMs. There are more manufacturers using CRMs, and field salespeople are filling out more templates for the Rep Office.

With the advent of increasing number of CRMs to update, the need for extra administrative people collecting template reports and typing the data into the different CRMs, has increased costs for Rep firms. Communication methods between the Rep firm and the manufacturer are in a state of inefficient flux.

Because this situation exists, it has created an "elephant in the room" that no one is talking about. That elephant is preventing manufacturers from participating in even greater growth in sales. To quote Oracle, "When sales reps use CRM, it allows them to spend more time with customers and potential customers. The more time spent with customers, the more deals are closed, and the more loyal customers remain."

Because of how CRM has evolved in our industry, the one party that could maximize the benefits of CRM to grow sales cannot because they use Word templates. Salespeople are missing the ability to manage a higher percentage of new business opportunities. They miss the opportunity to follow a proven sales process that guides them to close more new pieces of business. Without the CRM, salespeople are not prompted to document the next steps of the sales call, losing the opportunity to shorten the sales cycle by as much as 16%. They miss an instant notification on any quote issued by the Rep firm's office. They lack the visual cues like a funnel to stay on top of their new business opportunities. They miss using a system to help them track goals established and tracked for them. They lose time by not being able to update their activities or opportunities using "voice to text" in the field on their smart phones. They miss out on the ability to effectively plan their sales calls and update the results of promoting manufacturers key products and initiatives. The bottom line is that a salesperson who is not using the tools built into a CRM is missing potential growth. A Sales Force statistic states that a salesperson that uses CRM can grow sales by as much as 29%.

The question remains, how long will industry communication methods remain this way? What will be the impetus to institute a shift to current technology to automate the information sharing between the Rep firm and the manufacturer? It is my hope that raising this issue catches the eye of a few change agents in the industry who will be the first to free up the rep firm to use a single CRM and capture those increases in sales when the field salesperson can use all the features of a CRM, because the rep firm syncs their CRM with the manufacturer.

Change is always hard because the current way is easier to stick with. But as time goes on, more manufacturers will start using a CRM, and the current CRM manual entry methods will negatively impact the quality of information shared and negatively impact any potential growth in sales from using a CRM.

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Today is an excellent day to start addressing data synchronization in your own firm and with your manufacturers. And if you don't have a manufacturer who uses CRM, that day could be right around the corner. If the sales team already understands how to use a CRM and you land a new line with a CRM, launching that new line will be easier and bring about greater and faster results, and using CRM with sync capability enables the firm to launch the line without missing a beat.

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